

**OUACHITA PARISH SHERIFF**  
**Monroe, Louisiana**

**Financial Report**

**As of and For the Year Ended**  
**June 30, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/23/11

**Ouachita Parish Sheriff**  
**Monroe, Louisiana**  
  
**Financial Report**  
**As of and for the Year Ended June 30, 2010**

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**Ouachita Parish Sheriff  
Monroe, Louisiana**

**Financial Report  
As of and for the Year Ended June 30, 2010**

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## INDEPENDENT AUDITORS' REPORT

### **Ouachita Parish Sheriff Monroe, Louisiana**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Ouachita Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2010, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Ouachita Parish Sheriff's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Sheriff as of June 30, 2010, and the respective changes in financial position, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2010 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on

**Ouachita Parish Sheriff  
Monroe, Louisiana**

compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 4 through 9 and page 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Sheriff's basic financial statements. The combining agency fund balance sheet is presented for purposes of additional analysis and is not a required part of the financial statements. The combining agency fund balance sheet is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Huffman, Huffman, Reynolds & Sigmund*

(A Professional Accounting Corporation)

December 30, 2010

**REQUIRED SUPPLEMENTAL INFORMATION  
(PART A)**

**OUACHITA PARISH SHERIFF**  
**Monroe, Louisiana**

**Management's Discussion and Analysis (Unaudited)**

Within this section of the Ouachita Parish Sheriff (the Sheriff) annual financial report, the Sheriff's management is pleased to provide this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2010. The Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

**FINANCIAL HIGHLIGHTS**

The Sheriff's net assets decreased by \$68,000 or approximately 0.6 percent.

Total net assets are comprised of the following:

1. Capital assets of \$4,192,930 include property and equipment, net of accumulated depreciation.
2. Unrestricted net assets of \$7,171,951 represent the portion available to maintain the Sheriff's continuing obligations to citizens and creditors.

The Sheriff's governmental fund reported total ending fund balance of \$10,440,172 this year. This compares to the prior year ending fund balance of \$9,226,795 representing an increase of \$1,213,377 for the current year.

Overall, the Sheriff continues to maintain a strong financial position, in spite of a somewhat depressed economy.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Management's Discussion and Analysis document introduces the Sheriff's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Sheriff also includes in this report additional information to supplement the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Assets. This is the government-wide statement of position presenting information that includes all of the Sheriff's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Sheriff as a whole is improving or deteriorating. Evaluation of the overall financial health of the Sheriff would extend to other nonfinancial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Sheriff's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Sheriff's distinct activities or functions on revenues provided by the Sheriff's taxpayers.

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by property taxes. The sole purpose of these governmental activities is public safety.

The government-wide financial statements are presented on pages 11 - 12 of this report.

## FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Sheriff's most significant funds rather than the Sheriff as a whole.

The Sheriff has one governmental fund, the General Fund.

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Sheriff's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 14 - 17 of this report.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies, deposits held pending court action and the individual prison inmate accounts. The Sheriff reports six agency funds.

The basic agency fund financial statement is presented on page 18 of this report.

Notes to the basic financial statements:

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 19 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations. A budgetary comparison schedule is included as "required supplemental information" for the General Fund. This



schedule demonstrates compliance with the Sheriff's adopted and final revised budget. Required supplemental information can be found on pages 38 of this report.

In addition, details of the individual agency funds are presented as other supplemental information on page 40 of this report.

#### FINANCIAL ANALYSIS OF THE PARISH SHERIFF AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Sheriff as a whole.

The Parish Sheriff's net assets decreased between fiscal years 2009 and 2010 by \$67,572 or 0.6%. The following table provides a summary of the Sheriff's net assets:

**Ouachita Parish Sheriff  
Summary of Net Assets  
June 30, 2010 and 2009**

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
<b>Assets:</b>		
Current assets and other assets	\$ 12,335,126	\$ 10,495,824
Capital assets	<u>4,192,930</u>	<u>4,460,658</u>
Total assets	<u>16,528,056</u>	<u>14,956,482</u>
<b>Liabilities:</b>		
Current liabilities	3,415,238	2,409,787
Long-term liabilities	<u>1,747,937</u>	<u>1,114,242</u>
Total liabilities	<u>5,163,175</u>	<u>3,524,029</u>
<b>Net assets:</b>		
Investment in capital assets, net of debt	4,192,930	4,460,658
Unrestricted	<u>7,171,951</u>	<u>6,971,795</u>
Total net assets	<u>\$ 11,364,881</u>	<u>\$ 11,432,453</u>

The Sheriff continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 3.7 to 1 for 2010 and 4.4 to 1 for 2009.

The Sheriff reported positive balances in net assets for the governmental activities. Net assets decreased \$67,572 for governmental activities in fiscal year 2010 and increased \$435,175 for governmental activities in fiscal year 2009.

#### CHANGES IN NET ASSETS

The Sheriff's total revenues were \$30.7 million representing an increase of \$171 thousand or .6% over 2009. A significant portion, 44.2% of the Sheriff's revenue comes from fees, fines and charges for services. Another 43.3% comes from taxes, while only 9.6% comes from grants and contributions.

The total cost of all programs and services was \$30.7 million, an increase of \$674 thousand or 2.2%. All of these costs are for public safety. Of the total costs, depreciation on the office and other equipment, buildings and vehicles was \$971,138 or 3.2% of total expenses.

Ouachita Parish Sheriff  
Statements of Activities  
For the Years Ended June 30, 2010 and 2009

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
<b>Revenues</b>		
<u>Program Revenues</u>		
Fees, Fines and Charges for Services	\$ 13,569,625	\$ 14,397,573
Operating Grants and Contributions	2,617,922	2,249,412
Capital Grants and Contributions	316,076	448,191
<u>General Revenues</u>		
Property Taxes	10,124,759	9,514,948
Sales Taxes	3,148,630	3,590,401
Investment Earnings	124,865	150,804
Other	768,051	147,416
<b>Total Revenues</b>	<u>30,669,928</u>	<u>30,498,745</u>
<b>Expenses</b>		
Public Safety	<u>30,737,500</u>	<u>30,063,570</u>
Change in net assets	(67,572)	435,175
Beginning net assets	11,432,453	10,997,278
Ending net assets	<u>\$ 11,364,881</u>	<u>\$ 11,432,453</u>

## FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

### Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$10,440,172 an increase of \$1,213,377 from the preceding year. All of these funds are unreserved and are available for continuing the Sheriff's activities.

### MAJOR GOVERNMENTAL FUNDS

The General Fund is the Sheriff's only operating fund and the source of day-to-day service delivery.

Revenues from this governmental fund type increased \$171,183 or .6%. Decreases in fees, fines and charges for services and sales taxes were slightly offset by increases in grants, property taxes and other revenues.

Expenditures increased \$674 thousand or 2.2%. Decreases in capital outlay and materials and supplies helped offset increases in personal services and related benefits and operating services.

## BUDGETARY HIGHLIGHTS

### General Fund

Towards the end of the year, the Sheriff revised the original budget. Even with this adjustment, actual expenditures were \$969 thousand greater than the budgeted amount. The most significant negative variance resulted from increases in personal services and related benefits.

Some of the reasons for the changes in the expenditure budget included:

- An increase in employees' overtime and related benefits
- An increase in gasoline prices
- An increase in both hospitalization and life insurance premiums

Revenues available were \$1.6 million above the final budget amount. Revenue from sales taxes was \$734 thousand greater than projected.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital assets

The Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2010, was \$4,192,930. This represents a net decrease (including additions and deductions) of \$267,728. Most of this decrease was related to current year depreciation. Additional information regarding Capital Assets is available in the Notes to the Financial Statements.

Ouachita Parish Sheriff  
Sheriff's Capital Assets  
For the Years Ended June 30, 2010 and 2009

	Governmental Activities	
	2010	2009
Furniture & Fixtures	\$ 51,890	\$ 60,782
Vehicles	4,071,819	4,900,567
Machinery & equipment	2,140,341	2,259,610
Buildings and building improvements	2,218,392	2,007,497
Rifle range land	163,000	163,000
Totals at historical cost	8,645,442	9,391,456
Total accumulated depreciation	4,452,512	4,930,798
Net capital assets	<u>\$ 4,192,930</u>	<u>\$ 4,460,658</u>

At June 30, 2010, the net depreciable capital assets for governmental activities were 47.5% depreciated versus 46.6% in the prior year.

### **Long-term obligations**

At the end of the fiscal year, the Sheriff had total Long-Term Debt of \$3,268,221 which consists of \$1,200,303 accrued annual vacation and compensated absences, \$100,000 in claims and judgments payable and \$1,967,918 in other post retirement benefits payable. This amount represents an increase from 2009 of \$1,013,221. This increase is primarily attributable to the new reporting requirements for other post retirement benefits as more fully explained in the notes to the financial statements.

### **CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Royce Toney, Sheriff, Ouachita Parish Sheriff and Tax Collector, P.O. Box 1810, Monroe, LA 71210.

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

**OUACHITA PARISH SHERIFF  
MONROE, LOUISIANA****STATEMENT OF NET ASSETS  
JUNE 30, 2010****ASSETS**

Cash	\$ 1,495,438
Cash investments	9,083,541
Due from other funds	134,844
Receivables	1,502,631
Prepaid expenses	110,239
Inventory	8,433
Capital assets, net	<u>4,192,930</u>
<b>TOTAL ASSETS</b>	<u><b>16,528,056</b></u>

**LIABILITIES**

Accounts payable	801,977
Accrued payroll & other	987,976
Due to other funds	105,001
Long-term liabilities	
Due within one year	1,520,284
Due after one year	<u>1,747,937</u>
<b>TOTAL LIABILITIES</b>	<u><b>5,163,175</b></u>

**NET ASSETS**

Invested in capital assets	4,192,930
Unrestricted	<u>7,171,951</u>
<b>TOTAL NET ASSETS</b>	<u><b>\$ 11,364,881</b></u>

The accompanying notes are an integral part of the basic financial statements.

## Statement B

**OUACHITA PARISH SHERIFF**  
**MONROE, LOUISIANA**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

					Net (Expense)
					Revenues and
					Changes in
Program Revenues					Net Assets
		Fees, Fines	Operating	Capital	Governmental
		and Charges	Grants and	Grants and	Activities
Activities	Expenses	for Services	Contributions	Contributions	
Governmental Activities					
Public safety	\$ 30,737,500	\$ 13,569,625	\$ 2,617,922	\$ 316,076	\$ (14,233,877)
Total	\$ 30,737,500	\$ 13,569,625	\$ 2,617,922	\$ 316,076	\$ (14,233,877)
General revenues					
Taxes, levied for general purposes					
Property taxes					10,124,759
Sales taxes					3,148,630
Interest and investment earnings					124,865
Miscellaneous					768,051
Total general revenues					14,166,305
Change in net assets					(67,572)
Net assets - at beginning of year					11,432,453
Net assets - at end of year					\$ 11,364,881

The accompanying notes are an integral part of the basic financial statements.

**FUND FINANCIAL STATEMENTS**



## Statement C

**OUACHITA PARISH SHERIFF  
MONROE, LOUISIANA  
BALANCE SHEET - GOVERNMENTAL FUNDS  
GENERAL FUND  
JUNE 30, 2010**

**ASSETS**

Cash	\$	1,495,438
Cash investments		9,083,541
Due from other funds		134,844
Receivables		1,502,631
Prepaid expenses		110,239
Inventories		<u>8,433</u>

**TOTAL ASSETS**

\$ 12,335,126

**LIABILITIES AND FUND BALANCES****Liabilities**

Accounts payable	\$	801,977
Accrued payroll & other		987,976
Due to other funds		<u>105,001</u>
Total Liabilities		<u><u>1,894,954</u></u>

**Fund Balance**

Fund balance - unreserved / undesignated		<u>10,440,172</u>
Total Fund Balance		<u><u>10,440,172</u></u>

**TOTAL LIABILITIES AND FUND BALANCES**

\$ 12,335,126

The accompanying notes are an integral part of the basic financial statements.

**OUACHITA PARISH SHERIFF**  
**Monroe, Louisiana**

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
June 30, 2010**

Total fund balances - governmental funds \$ 10,440,172

Amounts reported for governmental activities are not financial resources  
and, therefore, are not reported in the governmental funds

Governmental capital assets	\$ 8,645,442	
Less: accumulated depreciation	<u>(4,452,512)</u>	4,192,930

Long-term liabilities are not due and payable in the current period  
and, therefore, are not reported in the governmental funds

Claims and judgments payable	(100,000)	
Compensated absences payable	(1,200,303)	
Other post-employment benefits payable	<u>(1,967,918)</u>	<u>(3,268,221)</u>

Total net assets - governmental activities \$ 11,364,881

The accompanying notes are an integral part of the basic financial statements.

**OUACHITA PARISH SHERIFF  
MONROE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUNDS - GENERAL FUND  
YEAR ENDED JUNE 30, 2010**

<b>REVENUES</b>	
Ad valorem taxes	\$ 10,124,759
Sales taxes	3,148,630
Intergovernmental revenues:	
Federal grants	491,496
State grants:	
State revenue sharing (net)	637,401
State supplemental pay	1,718,342
Other	86,759
Fees, charges, and commissions for services:	
Services and programs	732,092
Civil and criminal fees	2,231,522
Court attendance	171,140
Feeding, keeping and transporting of prisoners	10,331,950
Tax notices, etc.	102,921
Use of money and property	124,865
Other	692,312
<b>TOTAL REVENUES</b>	<u>30,594,189</u>
<b>EXPENDITURES</b>	
Public safety	
Current	
Personal services and related benefits	25,016,453
Operating services	2,084,585
Materials and supplies	1,576,751
Travel and other charges	63,734
Capital outlay	715,028
<b>TOTAL EXPENDITURES</b>	<u>29,456,551</u>
<b>Excess of revenues over expenditures</b>	<u>1,137,638</u>
<b>OTHER FINANCING SOURCES</b>	
Donated services	45,312
Compensation for damage to assets	30,427
<b>Total other financing sources</b>	<u>75,739</u>
<b>Excess of Revenues and Other Sources Over Expenditures</b>	1,213,377
<b>Fund Balance at Beginning of Year</b>	<u>9,226,795</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 10,440,172</u>

The accompanying notes are an integral part of the basic financial statements.

**OUACHITA PARISH SHERIFF**  
**Monroe, Louisiana**

**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2010**

Net change in fund balance - total governmental funds \$ 1,213,377

*The change in net assets reported for governmental activities in the  
statement of activities is different because:*

Governmental funds report capital outlays as expenditures. However,  
in the statement of activities, the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 715,028	
Basis of assets sold or retired	(11,618)	
Depreciation expense	<u>(971,138)</u>	(267,728)

Governmental funds reports annual premiums for other  
post-employment benefits as expenditures. However, in  
the statement of activities, only the current addition in the  
obligation is recognized as an expense.

Post-employment benefits paid	319,981	
Current year addition to the post-employment benefit payable	<u>(1,273,657)</u>	(953,676)

Some expenses reported in the statement of activities do not  
require the use of current financial resources and, therefore, are not  
reported as expenditures.

Compensated absences		<u>(59,545)</u>
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Change in net assets - governmental activities	\$	<u><u>(67,572)</u></u>
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The accompanying notes are an integral part of the basic financial statements.

**OUACHITA PARISH SHERIFF  
MONROE, LOUISIANA**

**FIDUCIARY FUND - AGENCY FUNDS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
JUNE 30, 2010**

**ASSETS**

Cash and cash equivalents	\$	6,194,151
Due from General Fund		105,001
Other receivables		<u>15,696</u>

<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>6,314,848</u></b>
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**LIABILITIES**

Due to General Fund	\$	134,844
Accounts payable		1,821,774
Due to taxing bodies and others		<u>4,358,230</u>

<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b><u>6,314,848</u></b>
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The accompanying notes are an integral part of the basic financial statements.

**OUACHITA PARISH SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2010**

**INTRODUCTION**

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Ouachita Parish Sheriff (Sheriff) serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of programs such as neighborhood watch and anti-drug abuse. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem (property) taxes, parish occupational licenses, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others.

The accounting and reporting policies of the Sheriff conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures conform to the requirements of the audit and accounting guide for Audits of State and Local Governments.

*(1) Summary of Significant Accounting Policies*

*A. Reporting Entity*

For financial reporting purposes, the Sheriff includes all funds and activities that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish police jury as required by Louisiana law, the Sheriff is financially independent.

**OUACHITA PARISH SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2010**

Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

***B. Basis of Presentation***

The accompanying basic financial statements of the Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments".

***Government-Wide Financial Statements (GWFS)***

The Statement of Net Assets and the Statement of Activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. However, fiduciary funds are not included. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

***Fund Financial Statements (FFS)***

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is

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defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The funds of the Sheriff are described below:

*Governmental Funds -*

General Fund - The General Fund is the primary operating fund of the Sheriff and its accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and Federal laws and according to Sheriff policy. The General Fund is the only major fund of the Sheriff.

*Fiduciary Funds -*

Fiduciary fund reporting focuses on assets and liabilities and the changes therein. The only funds accounted for in this category by the Sheriff are agency funds. The Agency Funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action and inmate funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

*C. Measurement Focus/Basis of Accounting*

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial sources. This approach is then reconciled, through adjustment, to a government-wide view of Sheriff operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues available if they are collected within the 60 days after the fiscal year end. Expenditures are recorded



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when the related fund liability is incurred and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

*Revenues*

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Intergovernmental revenues and fees, charges and commissions for services are recorded when the Sheriff is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

*Expenditures*

The Sheriff's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

*Deferred Revenues*

Deferred revenues arise when resources are received by the Sheriff before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the Sheriff has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

*D. Budgets*

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The chief financial deputy prepares a proposed budget for the General Fund and submits it to the Sheriff for the fiscal year not later than fifteen days prior to the beginning of each fiscal year.

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2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff.
7. Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

*E. Cash and Interest-Bearing Deposits*

Cash and interest-bearing deposits include amounts in the demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market.

*F. Investments*

Under state law, Sheriff may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Sheriff may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana.

*G. Short-Term Interfund Receivables/Payables*

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

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**H. *Prepaid Items***

Insurance payments made to insurance agencies that will benefit periods beyond June 30, 2010 are recorded as prepaid items.

**I. *Capital Assets***

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets. Capital assets are recorded in the Statement of Net Assets. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. Construction in progress is not depreciated until the asset is completed and placed into service. All capital assets except land and construction in progress are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (Years)</u>
Office furniture and equipment	3-5
Vehicles	5
Machinery, safety and communications equipment	5-10
Buildings & building improvements	20-25

**J. *Compensated Absences***

After one year of service, employees of the Sheriff earn 8 days of vacation leave per year plus one day for each year of service, up to a maximum of 20 days. After three full months of service, employees earn sick leave at the rate of one day per month of service. There is no maximum number of hours that an employee may accumulate. Employees are not paid for accumulated sick leave upon separation from service. Compensatory time is accrued at 1.5 hours for each hour worked and holiday time is accrued at 1.0 hours for each holiday hour worked. If an employee leaves the employment of the Sheriff, all accrued vacation, compensatory time and holiday pay are paid to the employee.

At June 30, 2010, employees of the Sheriff have \$1,200,303 accumulated and vested employee leave benefits, which was computed in accordance with GASB Codification C60. This amount is recorded in long-term liabilities on the statement of net assets.

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**K. *Restricted Net Assets***

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net assets use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

**L. *Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**M. *Contingencies***

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Sheriff maintains commercial insurance policies covering its property, automobiles, law enforcement professional liability, and surety bond coverage. The Ouachita Parish Police Jury maintains insurance coverage on the building and its contents. No claims were paid on any of the policies during the past three years that exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2010.

**(2) *Cash and Cash Investments***

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2010, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$16,773,130 as follows:

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	<u>General Fund</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Noninterest-bearing deposits	\$ 16,364	\$ 1,603,175	\$ 1,619,539
Interest-bearing deposits	<u>10,562,615</u>	<u>4,590,976</u>	<u>15,153,591</u>
Total	<u>\$ 10,578,979</u>	<u>\$ 6,194,151</u>	<u>\$ 16,773,130</u>

*Custodial credit risk – deposits.* These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at June 30, 2010, are secured, as follows:

Bank balances	\$ <u>16,940,806</u>
Federal deposit insurance	\$ 3,707,608
Pledged securities	<u>12,317,999</u>
Total	<u>\$ 16,025,607</u>

*Credit risk.* Under state law, the Sheriff may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Sheriff's investments consist of certificates of deposit which are covered by Federal deposit insurance or by pledged securities. At June 30, 2010, there were \$915,199 in unsecured and uninsured deposits that are exposed to credit risk.

*Concentration of credit risk.* The Sheriff does not limit the amount that may be invested in securities of any one issuer. Applicable state statutes do not place limits on credit concentration.

*Interest rate risk.* The Sheriff manages its exposure to declines in fair values by limiting the maturity of its investments to no longer than one year.

**(3) Ad Valorem Taxes**

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem (property) taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the parish government in June and are actually billed to taxpayers by the Sheriff in October. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based

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on assessed values determined by the Tax Assessor of Ouachita Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2010, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 11.99 mills on property with net assessed valuations totaling \$850,410,974.

**(4) Receivables**

Amounts due from other governmental units at June 30, 2010 consist of the following:

State of Louisiana	\$ 112,366
Parish governments	1,322,675
Other	<u>67,590</u>
Total	<u>\$ 1,502,631</u>

**(5) Interfund Transactions**

Interfund receivables and payables consisted of amounts due to/from other funds for fees earned for services performed. They consisted of the following at June 30, 2010:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 134,844	\$ 105,001
Agency Funds		
Tax Collector	105,001	-
Bond	-	331
Inmate	-	<u>134,513</u>
Total	<u>\$ 239,845</u>	<u>\$ 239,845</u>

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**(6) Capital Assets**

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Governmental activities:				
Capital assets not being depreciated				
Rifle range land	\$ 163,000	\$ -	\$ -	\$ 163,000
Capital assets being depreciated				
Furniture and fixtures	60,782	-	8,892	51,890
Vehicles	4,900,567	333,290	1,162,038	4,071,819
Machinery and equipment	2,259,610	170,843	290,112	2,140,341
Buildings and building improvements	2,007,497	210,895	-	2,218,392
Total capital assets being depreciated	9,228,456	715,028	1,461,042	8,482,442
Less: accumulated depreciation	4,930,798	971,138	1,449,424	4,452,512
Governmental activities capital assets - net	\$ 4,460,658	\$ (256,110)	\$ 11,618	\$ 4,192,930

Depreciation expense in the amount of \$971,138 was charged to public safety.

**(7) Changes in General Long-Term Obligations**

The following is a summary of the long-term obligation transactions for the year ended June 30, 2010:

	Compensated Absences	Claims and Judgements	Other Post Employment Benefits	Total
Long-term obligations at July 1, 2009	\$ 1,140,758	\$ 100,000	\$ 1,014,242	\$ 2,255,000
Additions	2,305,734	-	1,273,657	3,579,391
Deductions	(2,246,189)	-	(319,981)	(2,566,170)
Long-term obligations at June 30, 2010	\$ 1,200,303	\$ 100,000	\$ 1,967,918	\$ 3,268,221
Amounts due within one year	\$ 1,200,303	\$ -	\$ 319,881	\$ 1,520,184

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**(8) *Pension Plan***

Substantially all employees of the Sheriff are members of the Louisiana Sheriff's Pension and Relief Fund (the System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All sheriffs and all deputies who are 18 years or older at the time of original employment, who earn not less than \$400 per month if employed after September 7, 1979 and before January 1, 1991; \$550 if employed between January 1, 1991 and December 31, 1999; and \$800 if employed on or after January 1, 2000 are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to 3.33% of their final-average salary for each year of credited service. The retirement benefit cannot exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established and amended by state statute.

Plan members are required by state statute to contribute 10.0 percent of their annual covered salary and the Sheriff is required to contribute at an actuarially determined rate. The Sheriff's rate for the year ended June 30, 2010 was 11.0 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds are required and available from insurance premium taxes. The contribution requirements of plan members and the Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. In December 2000, the Sheriff began paying the employees' contribution amounts. The Sheriff's contributions to the system (including the employees' contributions) for the years ended June 30, 2010, 2009, and 2008 were \$4,160,194, \$3,675,074, and \$3,242,297, respectively.

The System issues an annual financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, 1225 Nicholson Dr, Baton Rouge, Louisiana 70802, or by calling (800) 586-9049.



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**(9) Post-employment benefits**

**Plan Description.** The Sheriff's medical benefits are provided to employees upon actual retirement.

The employer pays 100% of the medical coverage for the retiree only (not dependents). The employer also pays for life insurance coverage after retirement (see section entitled "Life Insurance" below for more details). Employees are covered a retirement system whose retirement eligibility (D.R.O.P. entry) age is 55 but must have 20 years of service with the Sheriff to obtain medical coverage paid by the employer. See the section below entitled "Expected Time of Commencement of Benefits" for the assumption as to actual retirement.

Life insurance coverage is continued to retirees by election and the blended rate for active employees and retirees is approximately \$0.38 per \$1,000 of insurance. The employer pays for up to \$15,000 of life insurance after retirement for retirees who elect so but based on the blended rate. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

**Contribution Rates.** Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

**Fund Policy.** Until 2008, the Sheriff recognized the cost of providing post-employment medical and life benefits (the Sheriff's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. Effective with the Fiscal Year beginning July 1, 2008, the Sheriff implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs.

For fiscal year ended June 30, 2010, the Sheriff's portion of health care funding cost for retired employees totaled \$303,554, and the life insurance totaled \$16,427. These amounts were applied toward the Net OPEB Benefit Obligation as shown in the table on the following page.

**Annual Required Contribution.** The Sheriff's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning July 1, 2009 is \$1,274,603 for medical, and \$63,693 for life, as set forth below:

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	Medical	Life
Normal Cost	\$ 491,852	\$ 18,792
30-year UAL amortization amount	<u>782,751</u>	<u>44,901</u>
Annual required contribution (ARC)	<u>\$ 1,274,603</u>	<u>\$ 63,693</u>

**Net Post-employment Benefit Obligation (Asset).** The table below shows the Sheriff's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2010:

	Medical	Life
Beginning Net OPEB Obligation (Asset) July 1, 2009	\$ 922,026	\$ 44,816
Annual required contribution	1,274,603	63,693
Interest on Net OPEB Obligation (Asset)	36,881	1,793
ARC Adjustment	<u>(53,321)</u>	<u>(2,592)</u>
OPEB Cost	1,258,163	62,894
Contribution	-	-
Current year retiree program	<u>(303,554)</u>	<u>(16,427)</u>
Change in Net OPEB Obligation	<u>954,609</u>	<u>46,467</u>
Ending Net OPEB Obligation (Asset) June 30, 2010	<u>\$ 1,876,635</u>	<u>\$ 91,283</u>

The following table shows the Sheriff's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation on (Asset)
Medical	June 30, 2010	\$ 1,258,163	24.13%	\$ 1,876,635
Life	June 30, 2010	\$ 62,894	26.12%	\$ 91,283

**Funded Status and Funding Progress.** In the fiscal year ending June 30, 2010, the Sheriff made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of July 1, 2008, the first and most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$14,076,936 (medical) and \$807,824 (life), which is defined as that portion, as determined by a particular actuarial cost method (the Sheriff uses the Unit Credit Cost Method), of the actuarial present value of

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post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2010, the entire actuarial accrued liability of \$14,076,936 (medical) and \$807,824 (life) was unfunded.

	Medical	Life
Actuarial Accrued Liability (AAL)	\$ 14,076,936	\$ 807,824
Actuarial Value of Plan Assets	-	-
Unfunded Act. Accrued Liability (UALL)	14,076,936	807,824
Funded Ratio (Act. Val. Assets/AAL)	0%	0%
Covered Payroll (active plan members)	\$ 19,787,558	\$ 19,787,558
UAAL as a percentage of covered payroll	71.14%	4.08%

**Actuarial Methods and Assumptions.** Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Sheriff and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Sheriff and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Sheriff and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

**Actuarial Cost Method.** The ARC is determined using the Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

**Actuarial Value of Plan Assets.** Since this is the first actuarial valuation, there are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45 will be used.

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**Turnover Rate.** An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%. The rates for each age are below:

Age	Percent Turnover
18 - 25	20.0%
26 - 40	12.0%
41 - 54	8.0%
55+	6.0%

**Post employment Benefit Plan Eligibility Requirements.** We have assumed that actual retirement (and commencement of OPEB benefits) occurs at four years after the earliest retirement (D.R.O.P. entry) eligibility. The four years consists of three years of D.R.O.P. and one additional year. Medical benefits are provided to employees upon actual retirement. Employees are covered a retirement system whose retirement eligibility (D.R.O.P. entry) age is 55 but must have 20 years of service with the Sheriff to obtain medical coverage paid by the employer. Entitlement to benefits continue through Medicare to death.

**Investment Return Assumption (Discount Rate).** GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management.

**Health Care Cost Trend Rate.** The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration ([www.cms.hhs.gov](http://www.cms.hhs.gov)). "State and Local" rates for 2009 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Zero trend has been assumed for valuing life insurance.

**Mortality Rate.** The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is the mortality table which the Internal Revenue Service requires to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

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**Method of Determining Value of Benefits.** The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medical rates provided are "blended" rates for active and retired before Medicare eligibility, so we have estimated the "unblended" rates for retirees before Medicare as 130% of the blended rate, as required by GASB 45 for valuation purposes.

**(10) Agency Fund Deposits Due to Taxing Bodies and Others**

A summary of changes in Agency Fund deposits due to taxing bodies and others and due to prisoners follows:

	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010
Agency Fund				
Tax Collector	\$ 2,735,633	\$ 90,095,210	\$ 89,956,640	\$ 2,874,203
Civil	387,227	4,828,984	4,830,533	385,678
Bond	509,625	595,975	308,825	796,775
Criminal	99,498	40	2,065	97,473
Clearing	-	3,216,498	3,216,498	-
Inmate	280,586	3,612,896	3,689,381	204,101
Total	<u>\$ 4,012,569</u>	<u>\$ 102,349,603</u>	<u>\$ 102,003,942</u>	<u>\$ 4,358,230</u>

**(11) Taxes Paid Under Protest**

The unsettled balances due to taxing bodies and others in the Agency Funds at June 30, 2010, include \$2,873,565 of taxes paid under protest plus interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

**(12) Litigation, Claims and Commitments**

At June 30, 2010, the Sheriff was involved in several lawsuits. The potential liability for lawsuits pending has been estimated to be \$100,000. No provision for any other liability resulting from lawsuits has been made in the accompanying financial statements.

The Sheriff has entered into various cancelable operating leases for office and communication equipment. Rental expense under all cancelable operating leases for the year ended June 30, 2010 was \$49,781.

**OUACHITA PARISH SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2010**

*(13) On-Behalf Payments*

Certain employees of the Sheriff receive supplemental pay from the State of Louisiana. In accordance with GASB Statement No. 24, the Sheriff recorded revenues and expenditures for these payments in the General Fund. Revenues and expenditures under this arrangement totaled \$1,718,342.

*(14) Joint Operation of Hibernia Center For Law Enforcement Training*

On September 11, 1997, Hibernia National Bank donated a building to the City of West Monroe, the Ouachita Parish Sheriff and the City of Monroe, to be used solely for law enforcement purposes with the primary emphasis on training. The donation was made subject to a restriction on use that requires that the property be used solely for law enforcement purposes for a period of ten years from the date of donation and that the building be designated as "The Hibernia Center for Law Enforcement Training." The Sheriff, the City of West Monroe, and the City of Monroe agreed to share equally the costs of improving and maintaining the building. The Sheriff did not incur any expenses related to the building during the year ended June 30, 2010.

*(15) Expenditures of the Sheriff Paid by the Ouachita Parish Police Jury*

The Sheriff's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Ouachita Parish Police Jury.

*(16) Deferred Compensation Plan*

The Sheriff also offers employees the ability to participate in the Louisiana 457 Deferred Compensation Plan (the Plan). All current full-time and part-time employees are immediately eligible to participate in the Plan. In 2010, the maximum participant contribution amount is 100% of the employees' eligible compensation or \$16,500, whichever is less. It may be indexed in \$500 increments after 2010. Participants nearing retirement are permitted to make certain "catch-up" contributions up to \$33,000 in 2010. The Sheriff matches 50% of the employee's contribution. Participants are able to direct their investments into an array of mutual funds that the Plan offers. The Sheriff's contributions to the Plan (including employees contributions) for the years ended June 30, 2010, 2009, and 2008 were \$599,059, \$670,279, and \$735,056 respectively.

**OUACHITA PARISH SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2010**

*(17) Subsequent Events*

In July, 2010, the Sheriff entered into a purchase agreement for real property with an appraised value of \$600,000. The Sheriff paid \$188,000 and accepted a donation of the remaining \$412,000 for the acquisition of the property.

**REQUIRED SUPPLEMENTAL INFORMATION  
(PART B)**



**OUACHITA PARISH SHERIFF**  
**Monroe, Louisiana**

**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b>Budgetary Fund Balance - Beginning of Year</b>	\$ 9,226,795	\$ 9,226,795	\$ 9,226,795	\$ -
<b>Resources (Inflows)</b>				
Ad valorem taxes	9,300,000	10,241,000	10,124,759	(116,241)
Sales taxes	3,500,000	2,415,000	3,148,630	733,630
Intergovernmental revenues				
Federal grants	340,000	407,000	491,496	84,496
State grants				
State revenue sharing (net)	500,000	423,000	637,401	214,401
State supplemental pay	1,800,000	1,878,000	1,718,342	(159,658)
Other	25,000	41,000	86,759	45,759
Fees, charges, and commissions for services				
Services and programs	380,000	578,000	732,092	154,092
Civil and criminal fees	2,100,000	2,030,000	2,231,522	201,522
Court attendance	170,000	163,000	171,140	8,140
Feeding, keeping and transporting of prisoners	10,300,000	10,210,000	10,331,950	121,950
Tax notices, etc.	65,000	53,000	102,921	49,921
Use of money and property	200,000	12,000	124,865	112,865
Other	1,510,000	640,000	692,312	52,312
<b>Total resources</b>	<b>30,190,000</b>	<b>29,091,000</b>	<b>30,594,189</b>	<b>1,503,189</b>
<b>Other financing sources</b>				
Donated services	-	-	45,312	45,312
Compensation for damage to assets	60,000	1,000	30,427	29,427
<b>Total other financing sources</b>	<b>60,000</b>	<b>1,000</b>	<b>75,739</b>	<b>74,739</b>
<b>Amounts available for appropriations</b>	<b>39,476,795</b>	<b>38,318,795</b>	<b>39,896,723</b>	<b>1,577,928</b>
<b>Charges to appropriations (Outflows)</b>				
Public safety				
Current				
Personal services and related benefits	24,918,000	23,709,000	25,016,453	(1,307,453)
Operating services	2,110,000	1,633,000	2,084,585	(451,585)
Materials and supplies	1,795,000	2,005,000	1,576,751	428,249
Travel and other charges	-	76,000	63,734	12,266
Capital outlay	812,000	1,065,000	715,028	349,972
<b>Total charges to appropriations</b>	<b>29,635,000</b>	<b>28,488,000</b>	<b>29,456,551</b>	<b>(968,551)</b>
<b>Budgetary Fund Balance - End of Year</b>	<b>\$ 9,841,795</b>	<b>\$ 9,830,795</b>	<b>\$ 10,440,172</b>	<b>\$ 609,377</b>

## **OTHER SUPPLEMENTAL INFORMATION**

**OUACHITA PARISH SHERIFF  
MONROE, LOUISIANA  
FIDUCIARY FUND TYPE - AGENCY FUNDS**

**COMBINING BALANCE SHEET  
June 30, 2010**

	Tax Collector Fund	Civil Fund	Bond Fund	Criminal Fund	Clearing Fund	Inmate Funds	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 4,590,976	\$ 385,678	\$ 797,106	\$ 97,473	\$ -	\$ 322,918	\$ 6,194,151
Due from General Fund	105,001	-	-	-	-	-	105,001
Other receivables	-	-	-	-	-	15,696	15,696
<b>TOTAL ASSETS</b>	<b>\$ 4,695,977</b>	<b>\$ 385,678</b>	<b>\$ 797,106</b>	<b>\$ 97,473</b>	<b>\$ -</b>	<b>\$ 338,614</b>	<b>\$ 6,314,848</b>
<b>LIABILITIES</b>							
Due to General Fund	\$ -	\$ -	\$ 331	\$ -	\$ -	\$ 134,513	\$ 134,844
Accounts payable	1,821,774	-	-	-	-	-	1,821,774
Due to taxing bodies and others	2,874,203	385,678	796,775	97,473	-	204,101	4,358,230
<b>TOTAL LIABILITIES</b>	<b>\$ 4,695,977</b>	<b>\$ 385,678</b>	<b>\$ 797,106</b>	<b>\$ 97,473</b>	<b>\$ -</b>	<b>\$ 338,614</b>	<b>\$ 6,314,848</b>

**REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

**Ouachita Parish Sheriff**  
**Monroe, Louisiana**

We have audited the financial statements of the governmental activities and the major fund of the Ouachita Parish Sheriff (the Sheriff), as of and for the year ended June 30, 2010, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated December 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### *Internal Control*

In planning and performing our audit, we considered the Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Sheriff's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses listed as 10-01 and 10-02 to be material weaknesses.

**Ouachita Parish Sheriff  
Monroe, Louisiana**

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 10-01.

The Sheriff's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit the Sheriff's response and, accordingly, we express no opinion on it.

We noted a certain matter that we reported to the Sheriff in a separate letter dated December 30, 2010.

This report is intended solely for the information and use of the Ouachita Parish Sheriff, management of the Sheriff's office, Federal awarding agencies and pass-through entities, other entities granting funds to the Sheriff and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Jeffrey Huffman, CPA, Signature*

(A Professional Accounting Corporation)

**December 30, 2010**

**OUACHITA PARISH SHERIFF  
MONROE, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>C.F.D.A. Number</b>	<b>Pass-Through Grantor Number</b>	<b>Federal Expenditures</b>
<b>U. S. Department of Justice:</b>			
<b>Direct Programs:</b>			
Justice Assistance Grant	16.738	N/A	\$ 69,385
AARA - Justice Assistance Grant	16.804	N/A	171,754
AARA - COPS Methamphetamine Initiative	16.710	N/A	127,901
			<u>369,040</u>
<b>Pass-Through Programs:</b>			
Louisiana Commission on Law Enforcement:			
Project Safe Neighborhoods Weapons Watch	16.609	F09-8-005	7,468
Domestic Violence Investigation	16.588	M07-2-001	35,468
Domestic Violence Investigation	16.588	M08-2-001	12,051
			<u>54,987</u>
Total Department of Justice			<u>424,027</u>
<b>Department of Homeland Security</b>			
<b>Pass-Through Programs:</b>			
State of Louisiana:			
Law Enforcement Terrorism Prevention Program	97.067	X07-2-008	18,741
Law Enforcement Terrorism Prevention Program	97.067	X08-2-008	48,728
Total Department of Homeland Security			<u>67,469</u>
<b>Total Expenditures of Federal Awards</b>			<b>\$ <u>491,496</u></b>

See notes to Schedule of Expenditures of Federal Awards

**OUACHITA PARISH SHERIFF**  
**Monroe, Louisiana**

**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2010**

**1: GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal Awards programs of the Ouachita Parish Sheriff, (the Sheriff). The Sheriff's reporting entity is defined in Note 1 to the Sheriff's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

**2: BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Sheriff's financial statements.



**OUACHITA PARISH SHERIFF**  
**Monroe, Louisiana**

**Schedule of Findings**  
**For the Year Ended June 30, 2010**

**10-01 Failure to Adhere to the Provisions of the Public Bid Law**  
**(First Reported - 2007)**

***Finding:***

During the year ended June 30, 2010, the Sheriff performed several public works projects approximating \$211,000 which included material and supplies costing over \$165,000 for which no quotes were obtained nor bids let. Louisiana R.S. 38:2212.1 requires that all materials and supplies exceeding \$30,000 shall be advertised and let by contract to the lowest responsible bidder who had bid according to the specifications as advertised. However, purchases of \$10,000 or more but less than \$30,000 shall be made by obtaining not less than three telephone or facsimile quotations. A written confirmation of the accepted offer shall be obtained and made a part of the purchase file. If quotations lower than the accepted quotation are received, the reasons for their rejection shall be recorded in the purchase file

***Recommendation:***

All future purchases of materials and supplies exceeding the above stated thresholds should be done in accordance with the public bid law.

***Management's Correction Action Plan:***

All future purchases in excess of the thresholds will be made in accordance with the public bid law.

**10-02 Inadequate Security for Deposits at Banks**  
**(First reported - 2009)**

***Finding:***

Public funds were inadequately secured at two financial institutions in amounts totaling approximately \$915,000. Louisiana RS 39:1225 requires that the amount of security for the Sheriff's deposits at each depositing authority (bank) shall at all times be equal to one hundred percent of the funds on deposit.

***Recommendation:***

Although the above finding was due primarily to a banking error, the Sheriff should take appropriate steps to insure that all public funds are adequately secured by FDIC insurance and authorized securities when the bank balances of public funds exceed the FDIC insured amount.

***Management's Corrective Action Plan:***

The Chief Financial Deputy will insure that funds are adequately insured and will monitor this by obtaining monthly bank reports of collateralizing securities.

**OUACHITA PARISH SHERIFF  
SUMMARY STATUS OF PRIOR YEAR FINDINGS**

The following is a summary of the status of prior year findings included in the Luffey, Huffman, Ragsdale & Soignier (APAC), CPA's audit report and management letter dated December 29, 2009, covering the examination of the Ouachita Parish Sheriff as of and for the year ended June 30, 2009.

**09-01 Failure to Adhere to the Provisions of the Public Bid Law (This finding was revised September 14, 2010 and reissued)**

***Finding:***

During the year ended June 30, 2009, the Sheriff purchased materials and supplies for building and improvement projects in excess of the bid law requirements whereby either an advertisement and letting by contract to the lowest responsible bidder would be required or that purchases should be made by obtaining not less than three telephone or facsimile quotations.

***Status:***

This finding is repeated for the year ended June 30, 2010.

**09-02 Failure to Properly Record and Monitor Certain Financial and Reporting Activities of the Sheriff's Office**

***Finding:***

During the course of our audit we noted various transactions that were not properly recorded, bank statements that were not being reconciled and other activities that showed no evidence of supervisory review.

***Status:***

Procedures have been implemented to address the recommendations.

**09-03 Inadequate Security for Deposits at Banks**

***Finding:***

Public funds were inadequately secured at two financial institutions in amounts totaling approximately \$777,000. Louisiana RS 39:1225 requires that the amount of security for the Sheriff's deposits at each depositing authority (bank) shall at all times be equal to one hundred percent of the funds on deposit

***Status:***

This finding is repeated for the year ended June 30, 2010.

**OUACHITA PARISH SHERIFF  
SUMMARY STATUS OF PRIOR YEAR FINDINGS**

**09-04 Lack of Adequate Management Oversight of Federal Awards**

***Finding:***

Federal Awards were administered by the Grant Manager however there were instances of grant financial reports being submitted to the overseeing agency that had no evidence of prior management review.

***Status:***

All grant agreements and financial reports are being reviewed prior to submission to the appropriate Federal oversight agency and evidence of this review is being made on copies of the documents.

**Management Letter Findings**

**Documentation of Internal Control**

***Finding:***

Management of the Sheriff is charged with establishing and maintaining internal control and to assess internal control for effectiveness in design and operation. Those components are outlined in the Committee of Sponsoring Organizations of the Treadway Commission Report (commonly referred to as the COSO Report, or COSO) and consist of the Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. While certain elements of the components of internal control exist and certain aspects of the control activities have been documented, the Sheriff does not possess adequate written documentation of all components of internal control over the Sheriff's operations.

For management and those charged with governance to properly discharge their responsibility to establish and maintain internal control, there must exist a level of documentation of internal control sufficient to allow them to assess operating effectiveness and design, not just at a point in time, but over a period of time. As circumstances change, controls should be re-evaluated for ongoing effectiveness.

***Status:***

The Sheriff is still in the process of completing its documentation of the internal control over financial reporting using the COSO framework in order that they may more easily discharge their responsibility to design and implement controls and monitor those controls for effectiveness over time. This finding was repeated for the year ended June 30, 2010.

# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

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## MANAGEMENT LETTER

**To the Ouachita Parish Sheriff  
Monroe, Louisiana**

In planning and performing our audit of the financial statements of the Ouachita Parish Sheriff (the Sheriff) for the year ended June 30, 2010, we considered its internal control structure in order to determine our auditing procedures for purposes of expressing our opinion on the financial statements and not to provide assurance on the internal control structure or overall compliance with laws and regulations.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and the overall environment for compliance with laws and regulations. This letter will summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 30, 2010 on the financial statements of the Sheriff.

### Documentation of Internal Control

#### *Finding:*

Management of the Sheriff is charged with establishing and maintaining internal control and to assess internal control for effectiveness in design and operation. Those components are outlined in the Committee of Sponsoring Organizations of the Treadway Commission Report (commonly referred to as the COSO Report, or COSO) and consist of the Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. While certain elements of the components of internal control exist and certain aspects of the control activities have been documented, the Sheriff does not possess adequate written documentation of all components of internal control over the Sheriff's operations.

For management and those charged with governance to properly discharge their responsibility to establish and maintain internal control, there must exist a level of documentation of internal control sufficient to allow them to assess operating effectiveness and design, not just at a point in time, but over a period of time. As circumstances change, controls should be re-evaluated for ongoing effectiveness.

**Ouachita Parish Sheriff  
Monroe, Louisiana  
Management Letter  
Page 2 of 2**

***Recommendation:***

We recommend that management of the Sheriff document the internal control over financial reporting using the COSO framework in order that they may more easily discharge their responsibility to design and implement controls and monitor those controls for effectiveness over time. As part of this review and documentation, the Sheriff should utilize the *Checklist of Best Practices in Government* prepared by the Legislative Auditor's office.

***Management's Corrective Action Plan:***

The Sheriff has many existing procedures in place that provide for effective internal control. The Sheriff will evaluate the internal control procedures and will use all available resources, including the COSO framework and the Checklist of Best Practices in Government, to ensure proper internal controls.

*Haffey, Huffman, Rozdole, & Signier*

(A Professional Accounting Corporation)

**December 30, 2010**